

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JUNE 7, 2011

The meeting of the State Properties Committee was called to order at 10:02 a.m. by Chairman Ronald N. Renaud. Attendance of the members was taken by roll call and the following members made their presence known: Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and Andrew Marcaccio representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Robinson from the State of Rhode Island General Assembly; Bruce Cadden from the Rhode Island Department of Transportation;

and Terri Bisson, Lisa Primiano, Danielle San Antonio and Allison Logan from the Rhode Island Department of Environmental Management.

Chairman Renaud stated for the record that the State Properties Committee did have a quorum present.

A motion to approve the minutes from the State Properties Committee meeting

held on May 10, 2011, as amended, was made by Mr. Griffith and seconded by Mr.

Woolley.

Passed Unanimously

ITEM A – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease, by and between the Department of Environmental Management and Tommy Thompson for the caretaker's residence located at the Arcadia Management Area Fish Hatchery, 1 Summit Road in the Town of Richmond. Ms. Bisson presented a copy of the Department's Residential Lease Policy, which was previously approved by the State Properties Committee. Subject to the Committee's approval, the aforementioned two bedroom caretaker's residence will be leased to Mr. Thompson. Ms. Bisson noted that the subject Indenture of Lease was developed in accordance with the Department's Residential Lease Policy. The policy addresses the Department's protection of assets relative to these residential dwellings, the methodology utilized to establish rental rates and the criteria by which the Department selects the tenants for said dwellings. Ms. Bisson stated that this residence is located at one of the four (4) hatcheries operated by the Department. The hatcheries raise several types of fish and, at the appropriate time, said fish are transferred to area ponds in order to ensure that there is an adequate amount of fish available for local fishermen. Ms. Bisson noted that Brown Trout and Atlantic Salmon are raised at this particular hatchery. Ms. Bisson explained that the State has invested hundreds of thousands of dollars in each of these hatcheries to purchase and maintain the equipment and fish necessary to operate the same. Both the equipment and the fish are considered extremely valuable assets.

Therefore, the caretakers are charged with ensuring that the pumps and filtration systems are operating efficiently and continually on a twenty-four (24) hour per day basis. Ms. Bisson stated that the caretakers' responsibilities are critical, because in the event a pump stops operating and the filtration system becomes clogged, many fish can be lost within less than an hour's time. The caretakers are also responsible for ensuring that no trespassers enter the grounds of the facilities and that all standard procedures are implemented immediately in the event of an emergency. Ms. Bisson indicated that Mr. Thompson is the Arcadia Management Area Fish Hatchery's supervisor and was a seasonal employee of the Department's Division of Fish and Wildlife for five (5) years prior to being hired as a fulltime employee in January 2011. Further, Mr. Thompson has extensive experience raising fish, which he did at the University of Rhode Island. Ms. Bisson stated that under the terms and conditions of this Indenture of Lease, Mr. Thompson will lease the caretaker's residence from June 1, 2011, through and including, May 31, 2014. Mr. Thompson will pay an annual rental fee of \$5,287.80 for said dwelling. Ms. Bisson explained that the rental fee will be paid via bi-weekly payroll deductions. Mr. Thompson is required to secure and maintain general liability insurance coverage in a minimum amount of \$30,000 for the dwelling, as well as an insurance policy which covers his personal property. Chairman Renaud asked what becomes of the Indenture of Lease in the event the tenant ceases to be employed by the Department of Environmental Management. Ms. Bisson stated that these Indentures of Lease are based upon the

tenants' employment with the Department; therefore, the lease terminates immediately upon the expiration of a tenant's employment.

Mr. Woolley noted that the Indenture of Lease includes language which specifically addresses said issue. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed

Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract, by and between the Department of Environmental Management and the Ashville Corporation for the preservation of approximately 66.725 acres of land located along Canonchet Road in the Town of Hopkinton; known as the Ashville Corporation Property. Ms. Primiano introduced Allison Logan, who is currently a seasonal intern at the Department. Ms. Logan hopes to learn about, and gain valuable experience relative to State Government Land Acquisitions. In the fall, Ms. Logan will return to Smith College where she is a student. Ms. Primiano presented a map of the subject property and noted that it abuts the Department's landholdings at the Rockville Management Area in the Town of Hopkinton. The acquisition of the subject property will result in the protection of over 2000 acres of land. Ms. Primiano indicated that the subject property includes public access, existing hiking trails, as well as road frontage and pond frontage on Blue Pond. Therefore, said property will provide a multitude of public recreational opportunities. The purchase price for said property is \$360,000.00; however, a recent appraisal established a fair market value of \$400,000.00. The Department was able to

negotiate a reduction of the purchase price. Ms. Primiano explained that State Open Space Bond Funds and the Department of Transportation's Federal Highway Enhancement Program are the sources of funding for said acquisition. Mr. Griffith asked what sort of business the Ashville Corporation operates. Ms. Primiano stated that the Ashville Corporation manufactures plastic beads, such as those used for making costume jewelry. Mr. Griffith asked if this is a fee simple acquisition. Ms. Primiano indicated that is correct. Mr. Kay asked if the land was appraised as residential or commercial property. Ms. Primiano indicated that the property is zoned residential and that it was appraised in accordance with said zoning designation. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM C – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract, by and between, the Department of Environmental Management and various property-owners for the preservation of 75.5 acres of land located along Arcadia Road in the Town of Richmond; known as the Greene/Winsor Property. Ms. Primiano indicated that this transaction is very similar in nature to the purchase of the Ashville Corporation Property, in that it will be a fee simple acquisition of land. The parcel consists of slightly more than 75 acres of land and is located within the Arcadia Management Area. The subject property surrounds Frying Pan Pond, which is known as a spectacular site for canoeing. Ms. Primiano noted that the property

includes existing hiking trails and a house located along the road frontage, which the property-owners will retain. The property will be incorporated and managed as part of the Arcadia Management Area. The funding sources for the purchase of said property will come from State Open Space Bond Funds and the Department of Transportation's Federal Highway Enhancement Program. Ms. Primiano indicated that, as the federal funds are earmarked for the acquisition of land for conservation purposes, the Department of Environmental Management is under a certain amount of pressure from the Department of Transportation to utilize said funds or risk their being reallocated for other purposes. Therefore, the Committee can expect that several more requests for land acquisitions of this nature will be forthcoming. A motion to approve was made by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a Gas Line Easement Agreement, by and between the Department of Environmental Management and the Narragansett Electric Company for the construction and maintenance of an underground gas distribution line through a portion of Fort Adams State Park. Using a site map, Ms. Primiano illustrated where the gas line will be installed, which she explained is along the same public access road utilized to enter the park. Ms. Primiano indicated that the Department has negotiated certain terms with the Narragansett Electric Company ("NEC"), to ensure that they coordinate with the Department's Division of Parks

and Recreation, to make certain that this project does not adversely impact the public's use of said access road and/or the park. Ms. Primiano stated that NEC will install the gas line in phases, over time, to again ensure that the project does not disrupt any public activities and/or events held at the park. Chairman Renaud asked if NEC is fully aware of the many events which are scheduled to be held at the park during the 2011 season. Chairman Renaud stated that the Committee has previously granted approval of several License Agreements for myriad events. Ms. Primiano explained that as the NEC received federal funding from the Navy to effectuate this project, therefore, they are under pressure to install the gas line expeditiously. However, the Department, on many occasions, has clearly expressed its concerns regarding the adverse impact this project could have on many of the events scheduled for the park's 2011 summer season. NEC has agreed to make every effort to eliminate any disruption relative to the upcoming events. Mr. Griffith clarified that the gas line is being installed to service Navy housing. Ms. Primiano stated that is correct and explained that the Navy is requiring a new gas line be installed to service Navy housing in the area. Ms. Primiano also indicated that, during the Department's research, it was determined that said easement exists and it is in fact referenced within the language of the Deed. However, Mary E. Kay, Acting General Counsel for the Department, requested that said easement agreement be formalized via a separate document. According to Ms. Kay, the Deed includes language which addresses the right to retain utility easements; however, the Department

determined that as the Deed was prepared so long ago, it would be prudent to obtain new easement assurance via a separate Easement Agreement. Ms. Primiano noted that the Easement Agreement before the Committee today was prepared in accordance with the Department's current requirements. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of and signatures on two (2) Sign License Agreements, by and between, the Department of Transportation and RBS Citizens, N.A. (Citizens Bank), for use of two (2) parcels of land, each consisting of approximately 200 square feet of State-owned land. Mr. Cadden stated that both parcels are located in the City of Cranston; one, adjacent to 965 Oaklawn Avenue, and the other, adjacent to 120 Atwood Avenue. Mr. Cadden explained that this is a request to renew the two (2) existing Sign License Agreements, which expired in April 2011. Chairman Renaud asked how the Department determines the fee for this type of license. Mr. Cadden indicated that a flat fee of \$600.00.00, per year, is the standard fee assessed for a sign license agreements of this nature. Mr. Cadden stated that he does not have independent knowledge regarding the method used by the Department to establish that specific flat fee. Chairman Renaud asked if the Department's assessed flat fee is competitive with the fees charged by area advertising agencies. Mr. Cadden noted that the Department recently re-evaluated its standard fee for sign license agreements. The flat fee was increased from \$200 per year to the

current annual rate of \$600.00. Mr. Cadden explained that the only time the Department may choose to increase the flat fee is when an expanded parcel is being licensed and/or perhaps includes landscaping. However, the standard sign license agreement allows the applicant to utilize approximately 200 square feet of land to erect and maintain a single sign. Chairman Renaud suggested that the Department of Transportation should research the fees currently being charged by private entities to determine if the Department's fees are consistent with the private sector. Mr. Cadden explained that, billboards as opposed to "on premise" signage, are two completely separate issues. First, billboards are regulated by the federal government and the Department is extremely limited with regard to entering into agreements for use of billboards. Mr. Cadden indicated that in fact no additional billboards can be erected in the State of Rhode Island on any federally controlled parcel of land. Mr. Cadden explained that all existing billboards are located on federally controlled, State-owned land and are licensed through the Department of Transportation. Mr. Cadden stated that depending upon the visibility, lighting, location and the advertisement's level of complexity, the cost to utilize a billboard is significantly more than the flat fee charged for a simple "on premise" sign license agreement.

Mr. Kay clarified that "on premise" signage refers to a business seeking to erect and maintain a sign on a small parcel of State-owned land, usually located directly adjacent to the building from which the business operates. Mr. Cadden stated that is correct. Chairman Renaud asked who owns the actual sign structure. Mr. Cadden

explained that the sign is owned and erected by the business-owner; however, when the sign is placed on State-owned property, the Department enters into a legally binding agreement with the applicant. The license agreement ensures that the applicant is fully aware of all the terms and conditions under which the Department will allow use of the property. Further, under the license agreement, the applicant is required to secure liability insurance coverage, indemnify and hold the State of Rhode Island harmless in the event of any occurrence involving the sign that may result in legal action. Chairman Renaud asked what the procedure is if an applicant decides they no longer wish to license the land. Mr. Cadden stated that the licensee is required to remove the sign from the property forthwith and is solely responsible for the cost associated with the same. Chairman Renaud reiterated that he would appreciate the Department of Transportation re-evaluating its license fees, as he believes that said fees are outdated and not competitive with the rates being charged in the private sector. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10: 28 a.m. The motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary
State Properties Committee